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RULEMAKING ESTABLISHING ELECTRIC WEATHERIZATION STANDARDS	**§ § §**	**PUBLIC UTILITY COMMISSION OF TEXAS**

SHARYLAND UTILITIES, L.L.C.'S COMMENTS ON THE PROPOSAL FOR PUBLICATION

Sharyland Utilities, L.L.C. ("Sharyland") hereby submits these comments on the Proposal for Publication approved at the August 26, 2021 work session. The Public Utility Commission of Texas ("Commission") stated that interested persons may file comments on the proposed new 16 Tex. Admin. Code ("TAC") § 25.55 by September 16, 2021. Therefore, these comments are timely filed.

I. Introduction and Executive Summary

Sharyland appreciates the opportunity to submit these comments and looks forward to continuing its work with the Commission and other stakeholders to address weatherization issues. Sharyland is providing these comments from the perspective of a transmission service provider ("TSP") in the Electric Reliability Council of Texas, Inc. ("ERCOT") power region. Accordingly, Sharyland's comments are limited to the issues in the proposed rule that relate to the provision of transmission service. Sharyland shares the Commission's appreciation for the importance of a resilient electric system and the need to maintain reliable service during severe weather conditions.

Sharyland is generally supportive of the proposed rule and, as Section II provides in more detail, Sharyland limits its comments to the following issues related to 16 TAC § 25.55(f)(1) of the published rule:

- Based on the proposed rule's definition of "cold weather critical component," a term that appears throughout the rule, Sharyland believes that those components on a TSP's transmission system would include power transformers, high voltage circuit breakers, and certain elements within those components. Sharyland supports inclusion of those components as "cold weather critical components" in the transmission context.
- Sharyland recommends revisions to 16 TAC § 25.55(f)(1)(C) to clarify that actions taken to prevent failures that occurred between November 30, 2020 and March 1, 2021 be prudent, reasonable, and consistent with good utility practice.

- Sharyland recommends a minor clarifying revision to 16 TAC § 25.55(f)(1)(E), relating to testing of circuitry supporting breaker heaters, which Sharyland believes is consistent with the intent of that provision.
- Sharyland requests clarification on what types of equipment 16 TAC § 25.55(f)(1)(G) (relating the determination of ambient temperatures) intends to address, aside from fire protection systems.
- Sharyland assumes 16 TAC § 25.55(f)(1)(H) allows the utility to determine minimum design temperatures, minimum operating temperatures, and other operating limitations of its facilities and components during certain weather conditions, which Sharyland expects TSPs will base on the design specifications from the various existing transmission standards and specifications from equipment manufacturers. If so, Sharyland supports this provision.

II. Comments

Subsection 25.55(f)(1) of the proposed rule addresses weather emergency preparedness reliability standards for a TSP. The rule requires a TSP, by December 1, 2021, to complete several resiliency activities as listed in 16 TAC §§ 25.55(f)(1)(A) through (H). To the extent Sharyland comments on those provisions, Sharyland addresses each provision individually in this section.

16 TAC § 25.55(f)(1)(A) – Sustained Operation of Cold Weather Critical Components. Subparagraph (f)(1)(A) requires a TSP to complete the following:

> All preparations necessary to ensure the sustained operation of all cold weather critical components during winter weather conditions, including ensuring availability of supplies, such as chemicals, auxiliary fuels, and other materials, and personnel required to operate the transmission system and facilities.

The proposed rule defines a "cold weather critical component" as "[a]ny component that is susceptible to freezing, the occurrence of which is likely to lead to unit trip, derate, or failure to start." It is Sharyland's understanding that the components of a facility within a TSP's system that could freeze and likely result in a generation unit tripping, derating, or failing to start would include power transformers, high voltage circuit breakers, and certain specific elements within those components. Sharyland's understanding is further supported by its reading of the other related requirements in 16 TAC § 25.55(f)(1), which largely address those types of transmission components. Assuming inclusion of those components as "cold weather critical components" is the intent of the rule, Sharyland is supportive of subparagraph (f)(1)(A).

16 TAC § 25.55(f)(1)(B) – Ensured Operation of Substations. Subparagraph (f)(1)(B) requires a TSP to complete the following:

> Confirmation of the ability of all systems and subsystems containing cold weather critical components required to operate each of the transmission service provider's substations to ensure operation of each substation within the design and operating limitations addressed in subparagraph (1)(H) of this paragraph.

Based on Sharyland's interpretation of the rule's language, Sharyland assumes that "cold weather critical components" in the transmission context would include power transformers, high voltage circuit breakers, and certain elements within those components. Sharyland is supportive of those inclusions.

This subparagraph requires that those substation components have the ability to "ensure operation of each substation within the design and operating limitations addressed in subparagraph (1)(H) . . . ." The referenced subparagraph (f)(1)(H) requires the utility to determine the "minimum design temperatures, minimum operating temperatures, and other operating limitations based on temperature, precipitation, humidity, wind speed, and wind direction for substations containing cold weather critical components." Sharyland interprets subparagraph (f)(1)(H) as allowing the TSP to determine those operating limitations, which the TSP would likely base on the various design specifications from the numerous transmission standards that Sharyland discussed at length in its previous comments in this project—i.e., those from the National Electric Safety Code, the Institute of Electrical and Electronic Engineers, the American National Standards Institute, and the North American Electric Reliability Corporation, among others. In addition, the TSP could determine those specifications from the design criteria from the original equipment manufacturers. Sharyland is supportive of such an approach.

16 TAC § 25.55(f)(1)(C) – Prevention of Failures That Occurred Last Winter. Subparagraph 25.55(f)(1)(C) requires a TSP to complete the following:

> All actions necessary to prevent a recurrence of any cold weather critical component failure that occurred in the period between November 30, 2020 and March 1, 2020.

Based on Sharyland's interpretation of the rule's language, Sharyland assumes that "cold weather critical components" in the transmission context would include power transformers, high voltage circuit breakers, and certain elements within those components. Sharyland is supportive of those inclusions.

In addition, Sharyland proposes the following revisions to subparagraph (f)(1)(C): "All <u>prudent and reasonable</u> actions necessary<u>, consistent with good utility practice,</u> to prevent a recurrence . . . ." The Commission's rules currently define "good utility practice" in 16 TAC §

25.5(56).[1] Sharyland proposes these revisions because use of the phrase "all actions" without the recommended qualifiers results in a requirement so broad that it could require a TSP to take actions that may prevent a failure that occurred last winter, but that are otherwise unreasonable or imprudent depending on the TSP's specific circumstances.

Sharyland's own experience during Winter Storm Uri helps demonstrate this point. Sharyland's 345-kV transmission line encountered an intermittent outage during the early hours of the storm, which may have resulted from conductor "galloping" caused by the combination of ice buildup and winds—however, the exact cause was not certain and ice buildup was not confirmed during visual inspection. A potential mitigation measure for possible galloping would be the installation of additional insulators between phases mid-span. Sharyland determined that the additional cost associated with such a measure would not be prudent, particularly given that galloping was not the confirmed cause. Furthermore, Sharyland determined that the additional insulators would be at a high risk of salt contamination because of the nearby Gulf Coast coupled with the difficulty of frequently cleaning salt buildup from mid-span facilities. Because of the ubiquitous nature of the salt environment, installation of additional insulators could result in additional outages, thereby reducing (instead of enhancing) reliability in the long run. While this potential weatherization measure *may* have prevented the outage that occurred during Winter Storm Uri, Sharyland determined that the additional cost combined with the nature and location of its system made such measures unreasonable and inconsistent with good utility practice.

16 TAC § 25.55(f)(1)(E) – Sulfur Hexafluoride Maintenance and Testing. Subparagraph (f)(1)(E) requires a TSP to complete the following:

> Confirmation that the sulfur hexafluoride gas in breakers and metering and other electric equipment is at the correct pressure and temperature to operate safely during extreme cold weather, and performance of annual maintenance that tests sulfur hexafluoride breaker heaters by supporting circuitry to assure that they are functional.

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[1] "Any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods, and acts that, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good utility practice is not intended to be limited to the optimum practice, method, or act, to the exclusion of all others, but rather is intended to include acceptable practices, methods, and acts generally accepted in the region." 16 TAC § 25.5(56).

Sharyland's only comment on this subparagraph is the following minor revision to provide clarity: ". . . and performance of annual maintenance that tests sulfur hexafluoride breaker heaters ~~by~~ including supporting circuitry to assure that they are functional." Sharyland assumes the intent of this language is to require the TSP to test circuitry that supports the breaker heaters (along with the heaters), and thus Sharyland believes this revision is consistent with that intent.

16 TAC § 25.55(f)(1)(G) – Determination of Ambient Temperature. Subparagraph (f)(1)(G) requires a TSP to complete the following:

> Determination of the ambient temperature to which the transmission service provider's equipment, such as fire protection systems, are protected, including accounting for the accelerated cooling effect of wind, and confirmation that temperature requirements are met during operations.

It is unclear to Sharyland what scope of a TSP's equipment this subparagraph addresses. The language provides that the equipment includes "fire protection systems"—however, fire protection systems constitute a very small percentage of the overall equipment on a TSP's system. An overly broad interpretation of "equipment" could result in a TSP undertaking atypical and potentially substantial measures that may go far beyond the actual intent of this provision, for example, installing portable generators at all the TSP's substations. Accordingly, Sharyland requests clarifying language as to what types of equipment the rule intends to address in this subparagraph and whether utilities will be required to maintain an ambient temperature even with the loss of station power.

16 TAC § 25.55(f)(1)(H) – Determination of Minimum Temperatures and Limitations. As stated above, subparagraph (f)(1)(H) requires the TSP to complete the following:

> Determine the minimum design temperatures, minimum operating temperatures, and other operating limitations based on temperature, precipitation, humidity, wind speed, and wind direction for substations containing cold weather critical components.

As discussed above in response to subparagraph (f)(1)(B), Sharyland interprets subparagraph (f)(1)(H) as allowing the TSP to determine those operating limitations, which the TSP would likely base on the design specifications from the numerous transmission standards and/or original equipment manufacturers. Sharyland is supportive of that approach.

Finally, as also discussed above, Sharyland assumes that "cold weather critical components" in the transmission context would include power transformers, high voltage circuit breakers, and certain elements within those components, and Sharyland supports those inclusions.

III. Conclusion

Sharyland shares the desire of the Legislature and the Commission to ensure transmission system reliability during severe weather events, and Sharyland looks forward to continuing its work with the Commissioners, Commission Staff, and interested stakeholders on new 16 TAC § 25.55. Sharyland respectfully requests the Commission's consideration of Sharyland's limited comments on the published rule.

Respectfully Submitted,

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